Transport
Canada

Transports
Canada

Deputy Minister   Sous-ministre

Place de Ville
Ottawa ON K1A 0N5

JAN 2 9 2018

The Honourable Kevin Sorenson, P.C., M.P.
Chair
Standing Committee on Public Accounts
House of Commons
Ottawa ON K1A 0A6

Dear Mr. Sorenson:

Further to the letter of September 18, 2017, from the Honourable Ralph Goodale, Minister of Public Safety and Emergency Preparedness, in which the Government of Canada committed to providing the Standing Committee on Public Accounts with responses to the recommendations contained in its report entitled *Report 1, The Beyond the Border Action Plan, of the Fall 2016 Reports of the Auditor General of Canada*, I am pleased to provide you with Transport Canada's report.

This report addresses recommendations #1, #4, and #6 of the report tabled by the Standing Committee on Public Accounts on May 2, 2017, for which Transport Canada has been responsible either solely or partially. We have worked in close consultation with the Canada Border Services Agency and Public Safety Canada in preparing our response, and we trust that this report on progress addresses those recommendations outlined in your report.

We appreciate the Committee's interest in enhancing performance measurement and reporting to Canadians on the Beyond the Border Horizontal Initiative.

As we move forward, we certainly remain committed to achieving results for Canadians and to articulate these results through proper performance measurement and reporting.

Yours sincerely,

Michael Keenan

Enclosures

c.c.   Ms. Angela Crandall
         Committee Clerk
         House of Commons

Canada

REPORT ON PROGRESS TO THE HOUSE OF COMMONS STANDING COMMITTEE ON PUBLIC ACCOUNTS REGARDING THE "BEYOND THE BORDER ACTION PLAN" OF THE FALL 2016 REPORTS OF THE AUDITOR GENERAL OF CANADA

Recommendation 1: Public Safety Canada, the Canada Border Services Agency (CBSA), the Royal Canadian Mounted Police and Transport Canada (TC) need to provide the Committee with a report outlining their new performance indicators, baselines, and targets as well as the security benefits achieved. This report should also clearly explain why these performance indicators are appropriate for measuring the expected security benefits.

Response: TC and the Canadian Air Transport Security Authority (CATSA) began reporting on the following two new security benefit indicators in 2016-17:

- **Operational availability of computed tomography hold baggage screening equipment at the eight preclearance airports**. CATSA tracks and provides the data related to the screening equipment deployed at transborder locations. The indicator has a 98% baseline and a target of 98% with 24/7 availability.

- **Percentage of checked bags screened by computed tomography hold baggage screening equipment at the eight preclearance airports**. CATSA tracks this data and uses the number of passengers screened by the newer systems. The indicator has an 87% baseline and a target of 100%.

Computed tomography x-ray screening technology is the most effective method to detect threat items in hold baggage, and it meets TC's performance detection and operational standards, and the U.S. Transportation Security Administration (TSA) certification standards. TSA certification for hold baggage is a requirement for airports with U.S. pre-clearance facilities participating in the Beyond the Border (BtB) Program. TC therefore selected indicators measuring the operational availability and actual coverage of the technology in order to assess whether the security of checked baggage was optimum at the eight preclearance airports.

Both indicators reached or surpassed their target as of December 31, 2016.

Of note, the CBSA is responsible for additional elements covered under this recommendation including the Interactive Advanced Passenger Information, and the Entry-Exit initiative. The CBSA will submit its report on these elements separately to the Committee.

Recommendation 4: TC and CBSA need to explain how the results of their assessment of existing border wait time technology were used to determine whether future installations of border wait time technology are warranted at remaining crossings.

Response: TC established a Working Group comprised of staff from TC and CBSA in December 2016 in order to address recommendations 4 and 6 together as these two recommendations are closely related. Please refer to the response to recommendation #6 and Appendix A for further details.

Recommendation 6: TC and the CBSA need to provide the Committee with a report outlining their new performance indicators, baselines, and targets, as well as the travel benefits achieved. This report should also clearly explain why these performance indicators are appropriate for measuring the expected travel benefits.

Response: TC established a Working Group comprised of staff from TC and CBSA in December 2016 in order to address recommendations 4 and 6. The Working Group completed its work by finalizing the key performance indicators (KPIs) and undertaking the analysis of travel benefits of border wait time technology. Please see Appendix A for details.

Of note, the CBSA is responsible for additional elements covered under this recommendation including the Nexus membership and facilities, and the installation of radio frequency identification technology. The CBSA will submit its report on these elements separately to the Committee.

APPENDIX A- RESPONSE TO RECOMMENDATIONS 4 AND 6

Transport Canada established a Working Group comprised of staff from TC and CBSA in December 2016 in order to address these recommendations. The Working Group completed its work by the end of 2017 by finalizing the key performance indicators (KPIs) and undertaking the analysis on travel benefits for border wait time (BWT) technology. This response is the culmination of the work of the Working Group over the past year.

A number of KPIs were selected initially to be evaluated for their inclusion into the final set of adopted KPIs. The potential KPIs were examined in detail using the following selection criteria adopted by the Working Group in determining the KPIs' appropriateness to measure performance:

1. Relevance – Does the indicator have a clear connection to the system/product objectives?

2. Data availability and quality – Does the design of indicators consider the availability of suitable data and will it be feasible to collect and analyze it?

3. Simplicity and transparency – Is the indicator simple enough and is the method of calculation transparent and reproducible?

4. Affordability/Cost effectiveness – Can we afford to collect and analyze the information? Is the cost of data collection balanced against the added value of the information they provide?

Subsequently, the Working Group was able to finalize the appropriate KPIs for inclusion in this response. The KPIs were grouped into four areas of performance (i.e., performance indicator subject) as shown below and in more detail in Table 1:

1. **Functionality/ Reliability of the System** – this indicator provides an indication of the reliability of the technology. It calculates the percentage of the time that the BWT technology works without interruption. Given that data collection for this indicator just started in October 2016, the target is set at 90% in the interim. Once data are collected over a longer period of time, this target may be adjusted.

2. **Client Service** – this indicator provides an indication of how well the travelling public is served. The estimated wait times for reaching the primary inspection booth is 10 minutes on weekdays and 20 minutes on weekends and holidays. The target is to achieve this standard 95% of the time.

3. **Availability of Border Wait Time Information to the Public** – this indicator provides an indication of how often BWT information is available to the public. It calculates the percentage of times where BTW information is available to the public on a 24-hour basis. The target is set at 100%, meaning that BWT information is available to the public on a 24-hour basis all the time.

4. **Benefit to Users** – this indicator provides an indication of how and/or the extent to which the public is benefiting from the technology

The first three performance indicator subjects shown above enable us to understand and measure the performance of the BWT technology itself and the level of service provided to travellers. The

intent of the performance indicator subject 4 – "Benefit to Users" is to measure the benefits the BWT technology provides to the travelling public. However, while these KPIs capture benefits to the public to a certain degree, these are for the most part a proxy as to how beneficial the BWT technology is. That is, they do not provide a direct indication of the benefits in terms of how the BWT technology is perceived by the public and/or the extent to which the users are satisfied with the information provided to them.

As such, to supplement these KPIs, an attitudinal survey of travellers was undertaken in order to better capture those information (i.e., level of satisfaction with the system and the degree to which the technology could affect people's decisions on border crossing). To that end, in August 2017, CBSA, in collaboration with TC, developed an online survey questionnaire for travellers who use the CBSA border wait time tools (either the CBSA's border wait times webpage or the CanBorder mobile application, which had been launched in May 2016). The survey was launched on September 1, 2017, just before the Labour Day long weekend and remained online until October 31, 2017. The main takeaways from the survey are:

- The majority of the respondents (approximately 70%) who used the border crossings equipped with BWT technology agreed that the BWT information provided to them was accurate.

- Up to 60% of people who used the border crossings equipped with BWT technology stated that they always or often chose different land border crossing or different times to cross into Canada based on the information provided by the technology.

SUMMARY AND CONCLUSIONS

It is important to note that the purpose of the BWT technology is not necessarily to reduce wait times at border crossings but to allow travellers to make an effective decision on when and where to cross the border. There is evidence of benefits to having BWT technology in place as supported by the KPIs and supplemented by the survey of travellers by the CBSA.

However, to date, only 7 out of the 20 identified high-priority border crossings have been equipped with BWT Technology. Challenges in moving forward with remaining installations have been mostly related to the availability of funding in the United States and the readiness of sites and stakeholders in Canada and the U.S. Furthermore, these technologies are evolving rapidly and, therefore, BWT technologies installed today may become less efficient or even obsolete in a few years time.

The following are the summary results and conclusions of the TC/CBSA Working Group, supported by officials at both organizations:

- The survey findings confirm that BWT technologies are more precise than manual reporting. They provide benefits to travellers both in terms of offering relatively accurate border wait times and allowing travellers to make an effective decision on when and where to cross the border. Better information and data can also lead to improved trade facilitation and economic growth.

- BWT technologies can also assist the CBSA in better planning for peak periods; i.e., precise wait time information updated frequently vs. manual estimations done once per hour. As well, if alternate ports-of-entry (POEs) are available, a person may choose a POE that offers less delay. This may help to balance the volume of traffic between adjacent POEs.

- In light of the survey results, the KPIs developed as part of this exercise will be used to evaluate the effectiveness of the BWT technology for existing and future installations focussing on functionality, service level, availability, and (indirect) benefits to users.

- Although current federal programs, such as the National Trade Corridors Fund and the Advanced Connectivity and Automation in the Transportation System have the ability to fund BWT technology projects, there is no more dedicated funding for BWT technology projects. Should there be any future plans to fund a BWT technology installation, the KPIs presented in this report will be used to develop benchmarks prior to their installation.

- That being said, further discussions with provinces and other border stakeholders is necessary before any future installations of BWT technology are undertaken to ensure a coordinated approach.

- Finally, the CBSA does not have dedicated funding to access, maintain and report the BWT information on the external webpage and mobile application. This remains an internal pressure for the Agency which limits activity that can take place. In September 2015, the CBSA's BWT application was assessed through the Treasury Board-driven Business Value Assessment. Findings of the assessment are that while it scores high on business criticality and utilization, the results also show the risks for reduced effectiveness if nothing is done to stabilize and improve the applications's core information technology architecture.

Table 1 – Key Performance Indicators (KPIs) for the Border Crossings Equipped with Border Wait Time (BWT) Technology

Performance Indicator Subject	Key Performance Indicator	Proposed Target for the KPI	2013/14	2014/15	2015/16	2016/17
1.0 Functionality/ Reliability of the System	Percentage of the time that the BWT technology works without interruption	**90% in the interim.** The target may be adjusted over time as more data are collected and become available	n/a	n/a	93% [1]	86.5%
2. Client Service	Percentage of BWT service standards that are achieved.	**BWT service standards are met 95% of the time.** The estimated wait times for reaching the primary inspection booth is 10 minutes on weekdays and 20 minutes on weekends and holidays.	n/a	91.7%	93.3%	95.9%
3. Availability of BWT Information to the Public	Percentage of times where BWT information is available to the public on a 24-hour basis.	**100%**	100%	100%	100%	100%
4. Benefits to Users	(a) Average difference in border wait time between adjacent border crossings (as applicable) during peak travel times (minutes)	**7 minutes**	7.3	8.2	6.4	5.8
	(b) Number of App downloads and visits to the CBSA portals during the year	**To be determined** (as more data are collected and become available)	n/a	10,244,400	7,334,300	5,551,200

Notes:

n/a – data not available

(1) Data collection started in October 2015; therefore the value shown is for the period October 2015 to March 2016. Also, this KPI has a value 93.5% for fiscal year 2017/18 (up to October 31, 2017 when the data was collected last for the purpose of this report).